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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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MARGARET WALLACE,

Civil Case No.: 07-Civ.-3899

Plaintiff,

Judge: Daniels

-against-

Magistrate: Pitman

SKUNK STUDIOS, INC., JASON CALDERONE,
TOM ESTESS, and KALLE WIK,

AFFIDAVIT OF
MARGARET WALLACE

Defendant(s).

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STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

MARGARET WALLACE, being duly sworn, deposes and states under penalties of perjury as follows:

1. I am a shareholder of Skunk Studios, Inc. (hereinafter "Skunk Studios") and the Plaintiff in this action, and as such, I have complete knowledge of the facts as set forth herein.

2. This affidavit is submitted in opposition to Defendants' Motion to Dismiss for lack of jurisdiction and improper venue or in the alternative transfer venue.

3. As a shareholder of Skunk Studios, I am well aware of Defendants' substantial business presence in New York.

4. In fact, Skunk Studios has engaged in and continues to engage in business with numerous New York companies such as Game Trust, Inc., Boonty, Inc., Viacom Inc., and

AudioBrain LLC, for example. Skunk Studios actually has contractual relationships with each of these New York companies, and also with Oberon Media, Inc., another New York corporation, which happens to be a major client of Skunk Studios.

5. Additionally, Skunk Studios has also negotiated with several New York businesses, such as EyeBlaster, Inc. and Nickelodeon, Inc., regarding possible business ventures.

6. Skunk Studios has an extensive New York customer base and has received orders and/or downloads from countless New York residents. Indeed, an estimated eighth of its worldwide user base lives in New York.

7. Skunk Studios therefore derives substantial revenues from New York.

8. Additionally, Defendants were fully aware that I had relocated to New York; I had informed them of my relocation and supplied them with my new home address. Defendants also knew that naturally I took my stock certificates with me upon relocation.

9. Thereafter, Defendants decided to dilute my (and only my) stock in Skunk Studios and mailed a correspondence to my New York home, stating that they have issued “new stock options...which would have had the direct effect of substantially diluting [my] interest down.” Said letter is attached as Exhibit “B” of my complaint.

10. As such, it is not fair for Defendants to argue that they lack sufficient connection to New York State. Since they already engage in business in New York and because they knew that engaging in unauthorized dilution of my stock will likely force me to vindicate my rights in a New York Court, they should be made to defend this lawsuit here and not in California.

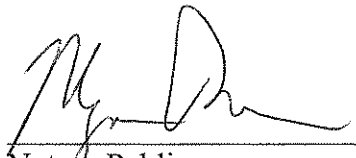
11. It would be most unfair to make me spend additional costs of traveling to California, merely to prevent Defendants from diluting my interest in a company I helped form.

12. As a final point, my business partner Nicholas Fortugno is my key witness in this case, and is also a New York resident. His testimony is vital, but traveling to California will be most inconvenient for him as well as me.

13. Due to the foregoing, I respectfully request that this Court deny Defendants' Motion to Dismiss for lack of jurisdiction and improper venue or in the alternative transfer venue in its entirety.


MARGARET WALLACE

Sworn to before me this
27 day of June, 2007.



Notary Public

Morgan Downer
Notary Public, State of New York
No.: 02DO6152128
Qualified in New York County
Commission Expires August 28, 2010